The Daily Dish

Electoral Policy Lessons

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President-elect Donald Trump appears to already be looking at ways to quickly exit President Obama's signature climate deal. According to sources inside Trump's transition team Trump plans on exiting the Paris Climate Agreement, which, while a non-binding agreement, requires a four-year process for a country to exit, something Trump reportedly wants to bypass. The Paris Climate Agreement was signed by 200 countries and went into force on November 4th.

With Donald Trump's victory last week auto groups have now called on president-elect Trump to roll back fuel efficiency regulations pushed by the Obama Administration. In 2012 the Obama Administration issued a mandate requiring auto-makers to increase vehicle fuel efficiency to 54.5 miles per gallon. Auto groups are concerned that the 54.5 mile per gallon goal is unreachable in the short term due to a variety of factors including low gas prices and the fact Americans tend to favor larger cars. A report issued in July stated that the auto industry was unlikely to hit the 54.5 mile per gallon mandate.

Eakinomics: Electoral Policy Lessons

It will be quite some time before the data is crunched and the full depth and breadth of the 2016 electoral lessons becomes clear. But certainly the early lessons from Ohio, Pennsylvania, and the remainder of the upper Midwest are that crucial voters have rejected the progressive's approach to economic stewardship.The middle class doesn't want a new entitlement for free college. It doesn't want a new entitlement for paid family leave. It doesn't want to a new entitlement for pre-kindergarten education. It doesn't want a new entitlement for child care expenses. It doesn't even want these if they are paid for out of the economic hides of the wealthy.

They would rather have jobs with growing wages, better economic opportunity, and more rapid economic growth. They don't want to disguise a failing economy by festooning it with even more and larger tax-and-spend transfer programs. The incoming Congress and administration should focus first and foremost on elements of a pro-growth policy. A starting point is pro-growth tax reform, a possibility that is suddenly on the table. It could include a sensibly designed infrastructure program.

But it will almost certainly involve re-thinking the Obama legacy of regulations and administrative overreach. Obviously, this is a target-rich environment. But it is important that attempts to roll back Obama-era regulations be driven by a strategy that prioritizes the most widespread, anti-growth regulations. Regulations like the joint-employer decision affect franchises, but the National Labor Relations Board is seeking to apply it across the economy. Similarly, the new overtime regulations will have pervasive harm. And the misguided net neutrality rule will handcuff economic activity across the country and beyond.

There will be pressure — justifiably — from many specific constituencies. But the priority should be determined by broad economic impact first and foremost.